

University of Wollongong  
**Research Online**

---

Faculty of Commerce - Papers (Archive)

Faculty of Business and Law

---

January 2000

## Celebrating the past: financial management in the third sectore

Anne Abraham  
[aabraham@uow.edu.au](mailto:aabraham@uow.edu.au)

Follow this and additional works at: <https://ro.uow.edu.au/commpapers>



Part of the [Business Commons](#), and the [Social and Behavioral Sciences Commons](#)

---

### Recommended Citation

Abraham, Anne: Celebrating the past: financial management in the third sectore 2000, 7.  
<https://ro.uow.edu.au/commpapers/916>

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library: [research-pubs@uow.edu.au](mailto:research-pubs@uow.edu.au)

---

## Celebrating the past: financial management in the third sector

### Abstract

The centrality of the mission, as opposed to the importance of financial outcomes, created many problems in the early financial management of third sector organisations. Thus, it is important to celebrate the contribution made by these early managers as they struggled to guide their organisation in a fiscally responsible manner. This paper has two parts. First, it considers the need for accountability from an internal organisational perspective and also as a response to the external demand for accountability. Secondly, it provides a case study of an eighty year old organisation whose early leaders were responsible for putting in place procedures which have allowed it to develop into a service organisation with a multimillion dollar turnover. The study presents incidents which demonstrate the development of financial management strategies, by providing a micro view of the evolution of a number of these processes, the factors which influenced their development, and the opposition their proponents encountered to their introduction.

### Keywords

sectore, celebrating, past, third, management, financial

### Disciplines

Business | Social and Behavioral Sciences

### Publication Details

Abraham, A. (2000). Celebrating the past: financial management in the third sector. In R. Leonard (Eds.), *Partnership & Activism: Australian & New Zealand Third Sector Research Fifth Biennial Conference* (p. 7). Sydney, NSW: ANZTSR.

# **Celebrating the Past: Financial Management in the Third Sector**

by

**Dr Anne Abraham**

Department of Accounting and Finance  
University of Wollongong  
anne\_abraham@uow.edu.au

ANZTSR  
6th Biennial Conference  
Sydney  
2-5 December 2000

## **Abstract**

The centrality of the mission, as opposed to the importance of financial outcomes, created many problems in the early financial management of third sector organisations. Thus, it is important to celebrate the contribution made by these early managers as they struggled to guide their organisation in a fiscally responsible manner.

This paper has two parts. First, it considers the need for accountability from an internal organisational perspective and also as a response to the external demand for accountability.

Secondly, it provides a case study of an eighty year old organisation whose early leaders were responsible for putting in place procedures which have allowed it to develop into a service organisation with a multi-million dollar turnover. The study presents incidents which demonstrate the development of financial management strategies, by providing a microview of the evolution of a number of these processes, the factors which influenced their development, and the opposition their proponents encountered to their introduction.

## **Acknowledgement**

The author thanks Guides NSW for access to minute books and other archival records.

# **Celebrating the Past: Financial Management in the Third Sector**

## **Introduction**

With the increase in the scope and size of the third sector have come calls for need for increased accountability (Anon, 1995; Blickendorfer and Janey, 1988; Courtney, 1994; Herzlinger, 1996; Industry Commission, 1995). The public, in the role of volunteers, donors and taxpayer, have made a significant contribution to the development and resources of the voluntary sector and are thus entitled to effective systems of accountability. Since "accountability relies upon the provision of up-to-date, accurate and relevant information relating to the operations and finances of organisations" (Industry Commission, 1995, p. 201), it is appropriate to focus on effectiveness of accounting systems in order to gain this increased accountability. However, the centrality of the mission, as opposed to the importance of financial outcomes, created many problems in the early financial management of nonprofit organisations (NPOs). This paper is written to celebrate the contribution made by the early managers of a particular NPO as they struggled to guide their organisation in a fiscally responsible manner.

The paper has two parts. First, it considers the need for accountability from an internal organisational perspective and also as a response to the external demand for accountability. Secondly, it provides a case study of Guides NSW, an eighty year old organisation whose early leaders were responsible for putting in place procedures which have allowed it to develop into a service organisation with a multi-million dollar turnover. The study presents incidents which demonstrate the development of financial management strategies, by providing a microview of the evolution of a number of these processes, the factors which influenced their development, and the opposition their proponents encountered to their introduction.

## **The internal need for accountability**

### **(a) By organisations in general**

From an internal perspective, accountability systems can be linked to appropriate internal monitoring of financial affairs which ensures the provision of reliable accounting information necessary for responsible financial management (Sopher, 1998). All organisations must have systems to record their transactions, to ensure that financial statements are accurate and to safeguard their assets. An appropriate internal control system, a subset of the total management accounting system, consists of plans, methods and procedures designed to ensure

adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable information (Statement of Auditing Practice, AUP 12).

It is generally agreed that the requirements for good internal management control include competent personnel, assignment of responsibility, division of work, separation of accountability from custodianship, adequate records and equipment, rotation of personnel, internal auditing and physical protection of assets (Anthony and Young, 1994; Gaffikin, 1993; Herzlinger and Nitterhouse, 1994). However, accountability expectations extend management control into areas of planning and budgeting, raising funds, allocating resources, record keeping, monitoring and evaluating, reporting and auditing (Elkin, 1985).

### **(b) By NPOs in particular**

Such controls are essential for NPOs because they "provide current data on where your organization is and projected data on where you want to be. These benchmarks are essential in evaluating results and mapping out plans (Sopher, 1998, p. 45). Furthermore, although "most nonprofit leaders trust that people will 'do the right thing' ... errors and fraud do occur if proper controls aren't in place" (Lambert, Main and Lambert, 1998, p. 46).

Many potential problems can be overcome if appropriate accountability procedures are adopted. Internal control systems provide measures which prevent and detect errors and frauds by implementing various checks and balances. Errors may arise as acts of both commission (such as handling cash incorrectly) or omission (such as failing to obtain funding by being late with grant applications), while fraud occurs because of misplaced trust. Table 1 provides recent examples of nonprofit fraud that specifically arose due to inadequate internal control procedures.

**Table 1: Examples of Nonprofit Fraud \***

<b>The Individual</b>	<b>The Crime</b>	<b>The Problem</b>
The treasurer of a local police association with 15 years service	Embezzling \$200,000 over 6 years	His duties included cheque authorisation, cheque signing and bank reconciliations.
The financial director of a state branch of the American Cancer Society	Embezzling \$85,000 over 13 months by writing 58 cheques to herself	Her background had not been properly investigated. It was subsequently discovered that she was on probation for embezzling \$800,000 while engaged as the accountant for a firm of real estate agents.
A treasurer of a nonprofit organisation	Depositing members cheques but pocketing their cash payments.	When members complained about large balances being over due, governing board accepted the assurance of the treasurer that everything was under control and failed to investigate any further.
A staff member of a national nonprofit organisation	Embezzling \$265,000 in cheque theft through forgery	Two key existing internal controls were disregarded and the accounting manager was allowed to handle accounts payable and daily deposits, as well as reconciling monthly bank statements.
An executive director of a nonprofit organisation	Misappropriating \$244,100 of funds	The director was able to override the internal control structure by a dominating management style.

\* Sources: Barton et al (1996), Lambert et al (1998) and Smith (1997).

While many of the financial management practices of business “are useful and long overdue in the nonprofit world” (Langan, 1998, p. 75), the combination of unique forms of governance, heavy reliance on volunteers, varying tax and legal considerations, and the absence of a profit motive, mean that there are also important distinctions in financial practices between for-profit and nonprofit organisations. Frequent turnover of third sector leadership, due to the voluntary nature of the organisation, may lead to delays and confusion in implementing various financial strategies. The nature of the NPO's mission and the sources of its revenue demand a high degree of accountability, which in turn demands a sound internal control system.

Langan (1998) suggests that it is the organisation's treasurer that is charged with primary responsibility in this area, to ensure the policies and procedures are in place that will guarantee that assets are safeguarded and that transactions are recorded in an accurate and timely manner.

Such procedures were not put in place at the commencement of Guides NSW, but rather grew as the need arose. However, this was not always without opposition. As a voluntary organisation, there was a tendency for it to emphasise participatory democracy, dispersions of power and consensus management (O'Connell, 1988). Given that the Guide Movement, and in particularly the women on the Executive Committee, had goals that were altruistic, qualitative, intangible and non-monetary (Gerard, 1983; Kramer, 1981), they would often tend to reject the more 'objective' accounting control measures mentioned above because they were seen as more appropriate to a “business” organisation. This resistance to the introduction or increase in management control strategies that appear not to further their service goals is common to nonprofit organisations (Stanton, 1989; Weiss, 1988).

### **The external demand for accountability**

Resource providers expect a nonprofit organisation to utilise resources in a manner that is consistent with its mission. Thus, there is a fiduciary duty between the resource providers and the managers of a nonprofit organisation. In addition there is a demand for accountability from the public, from potential donors and from the media. This is consistent with accountability being defined as

not only the formal processes and channels for reporting to a higher authority, but the wide spectrum of public expectations dealing with organization performance, responsiveness, and even morality (Kearns, 1996, p. 9).

Campbell (1998) reported three studies which showed that donors to nonprofit organisations rank the importance of financial accountability almost as high that of the actual services the organisation performed. The 800 participants in one study were asked to choose which of five pieces of information would most motivate them to give. Almost one third (32 percent) selected the services the organisation performs while almost as many (28 percent) selected how the donations were spent. In a second study in which donors were asked to rank a set of organisational characteristics, 88 percent ranked the purpose of the organisation first, with financial accountability close behind at 78 percent. The third study asked both current donors and prospective donors about the types of information of which they would like to receive more. In both cases, the desire for financial information was more than twice that for information about accomplishments.

In addition to donors, there are other stakeholders of nonprofit organisations such as employees, clients, the media and the general public. Efficient and effective accountability measures help build good-reputation insurance. Clary (1997) suggests that this can be done by meeting external financial expectations, using power widely, having written policies, heeding laws and regulations, providing accounting controls and making sure that all payments are approved by competent, ethical, financial managers.

The use of a framework as an appropriate base for analysing accountability (for example: Kearns, 1994; Romzek and Dubnick, 1987) may be a useful tool for investigating the various dimensions of financial accountability in Guides NSW today. However, such a model is not applicable to the earliest days of the Association, when there were neither implicit or explicit accounting requirements. Rather, accounting and accountability have developed over time on an exigency basis.

The remainder of this paper considers the development of accountability measures in Guides NSW. Although changes have occurred in later years, with such things as incorporation under an Act of Parliament, the establishment of budget committees and the voluntary application of professional accounting standards in financial reports, most of the practices developed in the first thirty years of the Association's history. Thus, this paper deals with the ten women who were the most influential managers during that time.

### **The research site**

The NPO at the heart of this case study Guides NSW, which had informal beginnings as early as 1910, but was formally established in 1920, and has operated continuously ever since. It had its roots in a British organisation, which was formed a few years earlier, and which grew out the military training techniques of its founder. Its members wear uniforms, subscribe to a code of behaviour and make certain promises upon joining. The activities of the members follow a program, designed to develop the individual's character and public service, while providing the individual with fun, fellowship and a sense of purpose. The organisation is part of an international affiliation of similar organisations, this affiliated body being the largest of its type in the world.

The Association's first published report (GNSW AR, 1923) states that the Inaugural meeting of The Girl Guide Movement was held at Government House in August 1920. However no record of that meeting survives. The first recorded meeting of the Executive Committee was held at Government House on 28 October 1920. Dame Margaret Davidson, DBE, is recorded as being the State Commissioner, and also the Chairman of the Executive Committee. Seven other women were present and three sent their apologies. The business recorded in the minutes indicates that this was probably the first formal meeting of the Committee that was to govern the Association throughout its history, right up until today.

There were four resolutions passed at that first meeting. The first three concerned publicity, governance and membership:

1. that a notice about the formation of association be put in the daily papers;
2. that the present Executive Committee be provisional for six months, and
3. that members with affiliation with England be written to and asked to send in their warrants for inspection.

Ties with Great Britain were strong. Some of these women were English; others, although Australian-born, perceived Great Britain as "home". In terms of the organisation, they saw that their roots and their first allegiance belonged there, and so the final resolution of that first meeting was

4. to pay registration fees to National Headquarters in London.

Thus, the first financial decisions of the Executive Committee were made and recorded, not with any financial plan in mind, but rather because of the need to advertise and the desire to belong to the mother organisation. These decisions were taken before the organisation actually had any members, funds or even a bank account. Having decided to pay registration fees, and having incurred advertising expenses, the Association had to look to ways to raise money. One of these was by means of subscriptions. Invitations were extended to a number of interested women to become Vice-Presidents of the Association, which, together with the honour of having their names printed in the annual report, ensured the Association would receive an annual subscription of £1/1/0 from each.

The day to day financial records of the organisation no longer exist. Thus, to discover the financial practices of the organisation, it is necessary to consider the minute books of the Executive Committee (and later, the Finance Committee) in conjunction with the annual reports.

The minutes of the early meetings suggest that the first Executive Committee consisted of women who were not overly familiar with the appropriate procedures for operating a business. Despite this, there is no record of duties being explained until the meeting of 24 August 1922 at which it was recorded that various members would address the Committee about different areas of responsibility, including finance. To understand the development of accounting in this context, it is appropriate to consider the type of women who comprised this first Executive Committee, the cultural influences to which they were exposed and their impact on the financial management of the organisation.

## **Cultural influences**

### **British heritage**

For many years the Executive Committee met at 11 am on a week-day, indicating that its members were women of independent means. As at the first meeting, they commonly referred to England as “home”, although most were actually born in Australia. Of the original Committee members, at least three were either the daughters or wives of men who were later knighted by the Queen.

An English observer in Australia in the early 1900s noted that England was still regarded as home “to the infinitesimal fraction of the Australian population which is able to take trips to the Old Country” but that “to an ever-increasing percentage of the inhabitants of the Britain beyond the Seas the word ‘Home’ is becoming reserved for the land of their birth” (Matthews, 1901, p.282-3). The repeated references in the Executive Committee minutes to England as “home” and to trips “home” by various members, indicates that those responsible for organising Guiding fitted into “the infinitesimal fraction”, where those to whom they were ministering fitted into the latter category.

In the early 1900s Australians largely depended on English books, journals and magazines for both education and leisure reading. Indeed, some considered that Australians were

too exclusively influenced by the ideas of England from whence come all their books, their telegraphed news, their information of every kind. That is why they have quite naturally assumed that the summit of wisdom and virtue is comprised in English middle class opinion and have set out to attain it. They had had no other model for comparison ((Métin, 1901, quoted in Ward and Robertson, 1980, p.89).

### **Financial and business exposure**

The women on these early Executive Committees would have been likely to read an English journal such as *Good Housekeeping*. Consequently, in order to understand the perceptions of women in relation to finances and budgets, it is valuable to consider the articles in this journal that touch upon these matters. Lady Violet Bonham-Carter contributed an article “Are you a Good housekeeper?” to the November 1928 edition. In the five column article, she was halfway through the fifth column before she addressed the issue of household expenditure and declared that “I regretfully admit that I think one ought to “do” weekly books if one wants to learn anything at all about one’s household expenditure” (Bonham-Carter, 1928, quoted in Braithwaite and Walsh, 1995, p. 74). Bonham-Carter concluded that

My advice to would-be economists: “Conquer the grocer’s book”. Once you have laid that many-headed hydra low the game is yours with the reluctant respect of your cook thrown in (Bonham-Carter, 1928, quoted in Braithwaite & Walsh, 1995, p.74).

This article indicated a class division in which cooks were those of the working class employed by the women of the middle and upper classes. Further, there is the implication that the women of the working classes understood household budgeting better than the other classes, who would be well advised strive to master the subject as well.

From time to time *Good Housekeeping* also contained articles about how other people lived and managed. Such an article was published in the April 1934: "A Fifteen-Roomed House and an Income of £376 (per year)" and was subtitled "How the wife of a Cornish vicar manages her household without the help of a maid". The additional expense of sending a son to boarding school, had meant that the family needed to dispense with the services of their cook-general help. The wife wrote:

I had no practical experience at all of housework, cookery, washing or dressmaking. I have learnt all I know about cooking and management from *Good Housekeeping*, which I have taken ever since I married, eleven years ago, and from one or two women's papers which I have had lent to me lately. In spite of my inexperience we have now managed by ourselves very happily and satisfactorily for nearly a year (*Good Housekeeping*, 1943, quoted in Braithwaite and Walsh, 1995, p.126).

In January 1936 an article appeared in *Good Housekeeping* which discussed "Real-Life Budgets collected from among interested readers during the past year". This article consisted of details of six budgets from families of various sizes with various incomes. These budgets were prefaced by some general comment on economy and budgeting. The article acknowledged the assistance that could be gained by observing "real-life budgets", but also added comments qualifying their construction:

How other people face their problems is always a fascinating and interesting study, and it is hoped that the budgets published here, all of which have been submitted by readers, will prove of help to others. We do not necessarily consider them exceptionally well-balanced, but have refrained from adjusting them, as we think that other readers will prefer to see the actual figures which, if not theoretically ideal, have at least passed the test of practical experience (Garbutt, 1934, quoted in Braithwaite and Walsh, 1995, p.145).

Judging from the content of these articles, the women comprising the early Executive Committees probably knew a lot about managing household staff, but little about the logistics of actually doing the work of the house. The household budget probably held little direct concern for them, particularly for the young single women among them, who still resided at home.

Hence, it is not surprising that these women knew little about running a business or operating a budget. Their approach to the financial management of the Guide Association reflected that part their home training which encouraged them to spend money without first considering its source. They tended to forget that, whereas they as individuals might have private means, the Association did not. For instance, surprise was expressed that

[d]espite a reduction by Premier Holman in the governor's allowances, the Davidsons entered enthusiastically into the round of gubernatorial duties, with speeches, official openings and vice-regal functions (Nairn and Serle, 1983a, p.229).

### **Early feminist concerns**

It is interesting to note that the feminist movement in Australia began in the last quarter of the nineteenth century, with the leading feminists generally being well-educated middle-class women who were "deeply concerned to protect their poorer sisters from drunken and profligate husbands" (Ward and Robertson, 1986, p.303). These women agitated for women's franchise and believed that women would vote for the suppression of trading in alcohol. As a result of the level tone of Australian politics, these early feminists won the vote for Australian women in 1908, with New Zealand being the only other country in which women could vote at the time.

After World War 1 (1914-1918), women's movements continued to support the temperance movement. However, the addition of a number of working class women as members of the various women's organisations changed the focus to more economic matters. An example of their reformist zeal was reported in *The Sydney Morning Herald* on 26 September 1922 when



[a] deputation of women representatives of the Citizen's Association, the Women's Union of Service, the Women's Reform League, the Professional Women's Association, and other women's organisation waited on the Premier yesterday in support of the introduction of a child endowment scheme.

The women who served on the early Guide Executive Committees were also women with reformist zeal, the minutes recording that many of the women had served on Committees of other women's organisations. These women believed that

[t]he rapid growth of the Movement shows that Guiding supplies a very real need for Australian girls. The girl of the city, of the country town, and of the bush, present very divergent types, though in all three cases the shortage of domestic help tends to produce a higher percentage of reliability, adaptability, and experience in the average young Australian Girl than the average English girl of the same age, though we cannot boast an increased liking for household management! In this respect, however, Guiding is of real service to over-worked mothers. The unwritten law of "a good deed every day", and the realization that "a Guide does her duty with smile", go a long way in the accomplishment of uncongenial tasks, and in inducing parents to encourage their daughters to join (GNSW AR, 1923, p.4).

In the first half the century the majority of married women did not work in paid employment outside the home. Only 6 percent of Australian married women between the ages of 19 and 64 worked before World War II (1939-1945). This had risen to 18 percent by 1961, to 35 percent by 1971 and to 44 percent by 1980. The basic belief in many households, was that a husband should provide for his wife both during their marriage and after his death. This belief was illustrated in an advertisement for Life Assurance in a magazine in the 1920s in which the father told his son

"Dick, my boy: when I married your mother I was getting very much less money than you are getting. It wasn't until we'd settled down in our little home and you had arrived that I realised that the greatest moral obligation of my life was to make the future safe for her – in case anything happened to me" (Braithwaite and Walsh, 1995, p.62).

In the early days of Guiding, a woman was thought of having two main roles in life: being a good wife and a good mother. As late as 1940, these sentiments were still held by the Founder of the Movement, Lord Baden-Powell. In his final message to Guides he wrote:

So, do you see, you are the chosen servants of God in two ways; first to carry on the race, to bring children into the world to replace the men and women who pass away; secondly, to bring happiness into the world by making happy homes and by being yourselves good, cheery comrades for your husbands and children. That is where you as Guides especially come in, by taking an interest in your husband's work and aspirations, you can help him with your sympathy and suggestions and so be a guide to him (Baden-Powell, R., 1940, quoted in GGA, 1970, p.32).

While most members of the Executive Committee were married women, Guide leaders in the field were largely single women without the first priority of loyalty to husband and children. This situation was well illustrated in the Annual Report of 1931 where it was recorded that:

Quite a matrimonial epidemic broke out among Commissioners last year. We offer our best wishes to Mrs. Merivale (Miss Levy), Mrs. Riordan (Miss Rutherford), Mrs. Alastair Henderson (Miss Beale), and Mrs. Foott (Miss Anderson). At the same time, we wish to inform the respective husbands that we owe them a deep grudge, for either they have carried off their brides from N.S.W., or else they have advanced unkind objections to their Guide activities. We want to point out to these tyrants that their wives were our Commissioners first, and we consider that we have a prior claim (GNSW AR, 1931, p.7).

### **The first "chairmen"**

Since the foundation of the Guide Movement in NSW, the Chairperson of the Executive Committee has also been the State Commissioner, the most senior uniformed person in the State. For the first thirty years, the State Commissioners were all titled women. They were well-known for both their own and their husband's charitable works, political affiliations and outstanding contributions to society. They ranked among the more educated, upper class of Australian society. In later years, the State Commissioner was chosen for her

background in Guiding, the contribution she had already made, and the potential she brought. This changed reflects the changing face of Australian society. However, the early State Commissioners brought their cultural baggage with them as they came to their tasks. At times it may have seemed as if they were out of touch with the real world of the working person, the real world of the girls they were trying to reach. However, their experience of life and the increasing freedom available to women, meant that as the years progressed, each had more to offer than the one before. The management of the Association was thus a growing process, as Australian society grew, and as women grew in stature.

### **Lady Margaret Davidson**

The first Chairperson of the Executive Committee was Dame Margaret Davidson.<sup>1</sup> Because of her work during the World War I (1914-1918), Dame Margaret was appointed a Daughter of Grace of St John of Jerusalem and was created Dame of the British Empire in 1918 because of her work with the Red Cross, both in Sydney, and previously in Newfoundland from 1913 to 1916. Dame Margaret was the second wife of Sir Walter Edward Davidson, who arrived in Sydney, with his family, in February 1918 to take up the position of Governor of NSW. After his death in 1923, Dame Margaret and her daughters returned to England.

Thus Dame Margaret was never a member of Australia's supposedly "classless society". She was born and married into the British upper classes. She did not need to earn her own income. Apart from her duties as a wife and a mother, her time was her own for what leisure and charitable affairs interested her. Given this background, it is not surprising that whereas she was reluctant to establish the Girl Guides at the request of Agnes Baden-Powell (Baden-Powell, O., 1931, journal), she was pleased to do so at the request of Queen Mary (Merivale, 1970, in GNSW, archival file).

### **Lady Lily Cullen**

After the departure of Dame Margaret Davidson to England on the death of her husband, Lady Cullen<sup>2</sup> became the new State Commissioner. Lady Cullen was well-known for her charitable and educational work. She was the President of the Australian Red Cross Society from 1916 to 1917, the first President of the Victoria League, the NSW Vice-President of the Bush Book Club, and she was also prominent in the organisation of the England Grammar School in Forbes Street, Sydney. Lady Cullen was the first Australian born State Commissioner of Girl Guides in Australia, holding the position from 1923 to 1928. Two years after her term finished, she retired from public life due to ill-health and died in the NSW country town of Leura on 10 June 1931.

She appeared to have had little input into the management of the Association as recorded in the Executive Minutes, largely because she was absent overseas for a year of her term and also suffered from ill-health. Mention of these issues was made in several Annual Reports. The Annual Report of 1925 recorded that Sir William and Lady Cullen were farewelled by Scouts and Guides prior to their departure for England for twelve months. Lady Cullen is recorded as being "on leave of absence" from her position as State Commissioner, and the report also mentioned that

we are delighted to hear of the happy time she is having, and especially to know that her interest in Guiding is keener than ever. She was at Foxlease [an English Guide property] when Princess Mary paid her second visit there, and sent an entertaining account of the day (GNSW AR, 1925, p.2).

The 1926 Annual Report recounted her return as "a welcome event" and that she was "looking splendidly well and happy after a delightful trip" (GNSW AR, 1926, p.5). However, the following year she suffered a "long and trying illness" (GNSW AR, 1927, p.5) and in April 1928, resigned from the position of State Commissioner due to continuing ill-health. The Annual Report of 1928 paid her tribute by declaring that

Since 1920 ... Lady Cullen has taken a deep interest, doing all in her power to further the movement. ... In spite of her long and trying illness, Lady Cullen maintained her interest, and helped the Executive with her sympathetic counsel. Only continued ill-health could have caused her to sever her connection with the movement, or have induced the Association to accept her resignation (GNSW AR, 1928, pp.5-6).

### **Lady Alicia Kelso King**

Although not strictly a State Commissioner, Lady Kelso King<sup>3</sup> was a foundation member of the Executive Committee and, as Deputy State Commissioner, took on the role of State Commissioner during both the

absence and the illness of Lady Cullen. Both Sir George<sup>4</sup> and Lady Kelso King were active in charitable and community organisations. While Lady Kelso King was involved with the Guide movement from 1920 until her death in 1956, Sir George was chairman of the Executive Committee of the NSW Boy Scouts' Association from 1922 to 1943.

Their daughter, Olive Kelso King, was also involved in the Guide Association. She was a member of the Executive from the very early days, and stood in for her mother as a signatory on Association cheques. Olive Kelso King was also the Honorary State Secretary from 1925 to 1931 and Assistant State Commissioner for many years.

Lady Kelso King was often mentioned in the minutes of the Executive Committee. She was one of the first co-signatories on the Association accounts (GNSW EM, 26 April 1921). It was her initiative that led to the introduction of duplicate records being kept and to the purchase of a safe (GNSW EM, 6 December 1923). The Annual Report of 1925 acknowledges that she was

a sympathetic and hard working Deputy [State Commissioner]. Her intense interest in Guiding and warm support have been most helpful and stimulating. She has shown herself ready to be consulted at any time over problems perplexing to her fellow Commissioners or to Headquarters staff, and her sound advice and far-sighted policy are very helpful to all who seek her aid (GNSW AR, 1925, p.2).

### **Lady Caroline David**

With the resignation of Lady Cullen, Lady David<sup>5</sup> was appointed by Lady Baden-Powell in London to be the next State Commissioner of Guides in NSW. When Lady David became involved in the Guide movement, first as Division Commissioner (1922-1928) and then as State Commissioner (1928-1938), she brought with her a wealth of experience and adventure.

In the 1880s she had helped her husband translate de Koninck's book on Palaeozoic fossils. In 1897 she lived in Funafuti in the Ellice Islands for six months while her husband researched Darwin's theory about coral atolls. During that time she wrote a book, *Funafuti*, published by John Murray of London, which became prescribed reading for certain classes at NSW schools. In 1902 Lady David was a foundation member of the Women's Club, Sydney and four years later became its President. While her husband was working on Mount Kosciuszko in 1905 and 1906, she lived there in a tent with him. When Sir Tannatt volunteered for war and was wounded, Lady David and her daughters, followed him to England, where she became the matron of a hostel for girls doing war work in Kirkcudbright, Scotland between 1914 and 1918.

Lady David's appointment as State Commissioner was greeted with enthusiasm by the members of the Executive Committee who considered that "this very welcome appointment will mean a great deal in the progress of Guiding" (GNSW AR, 1929, p.6). Four months after her appointment, it was reported that Lady David

had been associated with the movement since its inception in New South Wales, and her knowledge and experience, particularly her real understanding of the Guide Spirit, are invaluable assets. ... She brings gifts of organisation and experience, gained in many fields, which, with her strong personality and enthusiasm, have already proved the wisdom of the appointment, and causes us to congratulate ourselves on many occasions that we have such an able leader (GNSW AR, 1929, p.6).

With her wide experience, Lady David knew that the Executive Committee needed expert advice in the management of their financial affairs. Thus, it was during her term that the first accountant was employed to regularly inspect the bookwork. It was also as the result of her perseverance that the first Finance Committee was established. It is recorded that

Lady David said she thought it would be advisable to form a Financial Committee, which was approved by members, & it was decided to consider the matter (GNSW EM, 15 July 1937).

Four months later, Lady David again raised the issue of the formation of a Finance Committee stressing that "she thought it was most necessary to arrange it as soon as possible" (GNSW EM, 4 November 1937). At the following meeting

The proposed Finance Committee was again spoken of by Lady David, & it was decided that it consist of Miss Watson, Miss Egan, & Mrs. Marshall who should meet to discuss matters of finance, & report to the Executive (GNSW EM, 18 November 1937).

At the Executive Committee meeting on 17 February 1938, Lady David announced her resignation as State Commissioner and Chairman of the committee, reminding the Committee that in April she would have completed eleven years as State Commissioner. She had previously sent her resignation to the Chief Guide, Lady Baden-Powell, in 1936, but had agreed to carry on at that time because no one could be found to succeed her. However, she was unable to do so any longer. At the time of her resignation, Lady David was 82 years old. The Executive Committee accepted her resignation with the deepest regret acknowledging that Her enthusiasm and devotion to guiding caused her to undertake duties which were frequently beyond her physical powers, and which could only be accomplished by a great gallantry of spirit which refused to surrender. The inspiration which she put into the Movement is her legacy to the Guides of N.S.W. (GNSW AR, 1938, p.4).

### **Lady Eva Julius**

After the resignation of Lady David, the position of State Commissioner was vacant for almost a year until, Lady Julius<sup>6</sup> agreed to become State Commissioner in January 1939, from which time she chose to become intimately involved in the workings of the Guide Association and the Executive Committee. From the beginning, she urged that the Finance Committee, established by Lady Julius, meet on a regular basis. However, this was not as straight forward as one might hope as the following extracts from the minutes of three Executive Committee meetings indicate:

*1 June 1939:* It was agreed that the Finance Committee (Misses Watson, Egan and Smith) should meet next Thursday at 10.30 a.m. at Headquarters.

*15 June 1939:* Miss Watson said a misunderstanding had arisen about the Finance Committee meeting, as she had understood that she was to make the arrangement to meet, with Miss Egan and Miss Smith. The Secretary had thought it was to be held on Thursday 8<sup>th</sup> June, & the result was no meeting was held. It was left in Miss Watson's hands to arrange another date.

*29 June 1939:* Miss Watson explained that owing to another misunderstanding no meeting of the Finance Sub-Committee had yet been held.

These difficulties were still unresolved two months later when

Lady Julius said it was important the finance sub-committee should function, & hold regular meetings, but as the members of it were not present she would postpone the matter till next meeting (GNSW EM, 17 August 1939).

In June 1940, Lady Julius suggested that a business man with financial experience be appointed as a member of the Finance Committee to replace Miss Egan who was not able to attend due to her Red Cross work. However at the next meeting of the Executive Committee "it was agreed not to invite a man to join the Finance Committee at the present time" (GNSW EM, 20 June 1940). On Lady Julius' insistence, the Committee did however agree to the appointment of a third member to the Finance Committee.

Nevertheless, it was during Lady Julius' term that the first men were appointed to the Finance Committee. In October 1944 it was proposed that a new Finance Committee be established consisting of Mr Shain, Deputy Governor of the Commonwealth Bank, and either one or both of Mr Jim Ashton and Mr Donald MacKay, together with two women, who were members of the Executive. This was later refined as "the Hon. Treasurer, & one who knows the technical side of Guiding" (GNSW EM, 2 November 1944). It was at this time that Lady Julius also proposed Mrs O'Malley Wood as Honorary Treasurer.

At the end of 1949, when Lady Julius tendered her resignation as State Commissioner "after ten years of devoted and unselfish service" (GNSW AR, 1950, p.8), she was replaced by Mrs B.V. Stacy, the first non-titled woman to hold this position in the NSW Association in its thirty year history.

### **The first treasurers**

From beginning, responsibility for day-to-day financial management was in the hands of the Honorary Treasurer – this involved paying salaries and other accounts, receipting and banking, and presenting a regular report to the Executive Committee. The organisation had five Treasurers during its first thirty years of

operation, but little is known about these women. Theirs were not among the more well-known names on the Executive Committee, but the comments that were made about them, and the difficulty with which they were replaced indicates that they must have had some experience with finances in order to first be nominated, and secondly, to take on the position.

### **Miss M Ethel Trouton**

There is no actual record of the appointment of Miss Trouton as the first Honorary State Treasurer. This probably occurred at the inaugural meeting of the Executive Committee in August 1920, of which no records have been preserved. Her role of Treasurer is indicated both by the recorded minutes from December 1920 and also by her obituary in the first Annual Report in 1923. She was responsible for setting up the initial bookkeeping system, opening bank accounts and reporting to the Executive Committee on the financial affairs of the Association.

The first Annual Report in 1923 recorded the great appreciation that the members of the Executive Committee felt toward their first Treasurer:

It is with very deep regret that we have to report the death of our splendid Hon Treasurer, Miss M. E. Trouton. Only those who were closely associated with her in her work at Headquarters know the value of her services. She was far more than a Treasurer, and although her connection with the Red Cross and other Societies made many calls on her time, her energies were at the disposal of the Girl Guides whenever they were needed. She lent a willing hand to any of their interests, whether in connection with her own department or whether one of her colleagues needed the assistance she was so qualified to give (GNSW AR, 1923, pp.4-5).

No annual reports were printed during Miss Trouton's time as Treasurer, and no copies of her accounts remain. However, her contributions were recorded in the minutes of the meetings of those early years.

### **Miss Jessie Hellicar**

Due to Miss Trouton's illness, the financial affairs of the Association were unattended from March to July 1923, at which time Miss Hellicar accepted the appointment of Treasurer. Initially, she had to cope with significant difficulties to bring accounts up to date. The Executive Committee indicated their pleasure at securing Miss Hellicar's appointment as Treasurer in the 1923 Annual Report:

We were for some time at a loss to find anyone who could take Miss Trouton's place, but in June were fortunate in securing the services of Miss Jessie Hellicar, who has done much valuable work in connection with the Red Cross. Owing to her absence from town, Miss Hellicar was not able to undertake the Treasurership until July, and so has had a particularly trying experience in straightening out its affairs as the Treasury department was in abeyance for over three months.

We appreciate the excellent way in which she has met her difficulties, and offer our congratulations on the success she is achieving (GNSW AR, 1923, p.5).

The first published Financial Statements of the Association were contained in the 1924 Annual Report. The first Treasurer's Report, written by Miss Hellicar, was included in the 1925 Annual Report. In her second report in 1926, Mrs Hellicar wrote that

[t]he finances of the Association have been a somewhat difficult problem during the past year. In order to meet increasing current expenses, inevitable in the expansion of the movement, we have been obliged to sell our War Bond of £500, and are now therefore without a reserve fund. This, it is felt, is not satisfactory, and in consequence we have been reluctantly obliged to make an appeal for funds (GNSW AR, 1926, p.11).

Miss Hellicar's term as Treasurer came to an end when she left Sydney for an extended visit to England. At the Executive Committee meeting on 9 December 1926 it is recorded that

Miss Hellicar stated that she proposed sailing on March 2<sup>nd</sup>, & would like to relinquish the Treasurership at the end of January.

Tribute to Miss Hellicar was offered in the 1927 Annual Report, for the way in which she had taken on the job of Treasurer, and handled the difficulties that she inherited:

**Hon. State Treasurer.** - We were very sorry to part with Miss Hellicar in March, when she went to England for an extended trip, after wrestling with our finances for nearly three years.

We wish to place on record our gratitude to Miss Hellicar, who came to our rescue when affairs had got into a very chaotic state after the Association had been without a Treasurer for over four months. Owing to the sudden illness which preceded the death of Miss Trouton, our first Treasurer, there was no one to show Miss Hellicar the system, and the interlude of four months made the new Treasurer's task particularly hard. We were most fortunate in securing one whose ability and experience enabled her to put books in good order, and maintain it throughout her administration (GNSW AR, 1927, p.8).

### **Mrs Noelle E. Brennan**

At the meeting on 9 December 1926 the Secretary of the Executive Committee was authorised to approach a Miss Norris and invite her to take the position of Honorary Treasurer. Apparently, Miss Norris declined, because on 3 February 1927 it was agreed "That Miss Maude Watson be appointed Acting Hon. State Treasurer in place of Miss Jessie Hellicar, resigned". However the minutes of the next meeting (17 February) recorded that "Miss Smith agreed to ask M<sup>rs</sup> Brennan to accept the position of Hon. State Treasurer".

Miss Watson accepted the position of Treasurer, but explained that she would be absent for a few months later in the year. The minutes of 21 March record "that during the absence of Miss Watson, M<sup>rs</sup> Brennan should act as Treasurer" and it was reported at the 1927 Annual General Meeting that

Mrs. Brennan and Miss Watson were appointed to act as Joint Hon. Treasurers, so that when one is absent the other is there to carry on (GNSW AR, 1928, p.7).

Miss Watson and Mrs Brennan did not experience the difficulty of being unfamiliar with the accounting system when they took office because "before leaving, Miss Hellicar explained her system of accounts to Miss Watson" (GNSW AR, 1928, p.8). During the few months of the year before she left for New Zealand, Miss Watson so impressed the Executive Committee with her expertise, that they wrote in their annual report that she had

proved herself a very able Treasurer, but as she has been away from Sydney for the winter we enjoyed her services for only a short time (GNSW AR. 1927, p.8).

The report also acknowledged Mrs Brennan's ability:

We are deeply indebted to Mrs. Brennan, who stepped into the breach and carried on most capably (GNSW AR, 1927, p.8).

Mrs Brennan was listed as Honorary State Treasurer on the Annual Report for the period ending 31 July 1927, with the accompanying Treasurer's report being written in similar style to that of the previous two years. Mrs Brennan was able to report that

[t]he finances of the Association for the past year show a decided improvement. It will be noted from the accompanying balance sheet that our accumulation account has risen to £1989, showing an increase of £906 for the year (GNSW AR, 1927, p.12).

### **Miss Maude F. Watson**

Miss Watson returned to Sydney from New Zealand in November 1927 and resumed the role of State Treasurer. The 1928 Annual Report recognised that "Miss Watson has borne the brunt of the work this year" (GNSW AR, 1928, p.7).

This same report also acknowledged that

The position of State Treasurer is becoming very nearly a full-time job; if the Movement goes on growing as it has in the last two years the Treasurer will eventually require a separate staff to assist her. ... Few people realise the amount of time and effort entailed by this onerous position, nor the additional work necessitated by those individuals who habitually lose their invoices! (GNSW AR, 1928, p.7).

The previous year Mrs Brennan had told the Executive Committee that "the auditor wished the Assocn. to keep another ledger, or day-book" (GNSW EM, 1 September 1927), but the Executive Committee decided that the staff employed at the time were insufficient to undertake the additional work, and that they could not afford to employ more staff.

When Miss Watson notified the Executive (on 5 September 1929) that she would again be absent New Zealand, it was agreed that she should write to Mrs Jack Manning and invited her to join the General Council and to act as Treasurer during Miss Watson's absence. The meeting of 19 September 1929 heard that "M<sup>rs</sup> Manning is unable to take the Treasurership, & Miss Watson had not been able to get anyone else". As a result, the Secretary suggested that "an accountant should be engaged to keep the books during her absence". Given the absolute necessity of having a competent person handle the accounts, the Executive Committee agreed to the proposal, and the Secretary said that she would try to engage a Mr Phil Vernon. At the next meeting on 3 October 1929,

The Sec. reported that M<sup>r</sup> Phil Vernon had not been able to undertake the Treasurer's work.

The Sec. had seen M<sup>r</sup> Russell Crane, who agreed to send one of his clerks, M<sup>r</sup> Rouse, who had come several evenings & worked back with Miss M<sup>c</sup>Culloch.

The meeting heard that Mr Rouse thought he could do the work for 10/- per week, and agreed to engage him. Mr Rouse not only kept the account books up to date and prepared financial statements for presentation at Executive meetings, but he also contributed a number of improvements to the internal control system of the Association: daily banking, the use of locked mail box, and the endorsement of cheques.

Miss Watson returned from New Zealand early in the 1930 and at the meeting on 6 February she reported that she had not been able to see Mr Rouse, but that he had told her that he was anxious to leave the books up-to-date before handing them over to her, and that is was only "owing to his chief's absence [that] he had been too busy to attend to them". Soon after her return, Miss Watson informed the Executive Committee of her ill-health and that "under orders of her oculist, she was reluctantly compelled to tender her resignation" (GNSW EM, 3 April 1930). The minutes record that

The Ex. was distressed, & accepted her resignation with very great regret. A Sub-Committee consisting of Miss Watson, M<sup>rs</sup> Brennan, Miss Egan, Miss Hellicar, & Miss King was appointed to discuss future arrangements & report to the next Ex. meeting.

The sub-committee reported to the next Executive meeting on 17 April that they had discussed the advisability of employing a book-keeper Treasurer, to attend daily. The sub-committee thought that the half-day would be sufficient, & proposed to offer 30/- per week.

The sub-committee had already investigated one possible person, who was unavailable due to ill-health. Other names were suggested, but no definite decisions were reached. The meeting of 15 May heard that the Secretary had interviewed Miss Grace Paterson, who would be glad to accept the position of Treasurer's clerk or secretary at a salary of 30/- per week. However, this proved unsatisfactory even though Miss Watson agreed to spend time with Miss Paterson, explaining the system of accounts to her. On 29 May

The Treas. reported that she had spent Monday morning explaining the books & system to Miss Grace Paterson, who, however, found she was unable to manage the work, & had refused even to give it a trial as she felt it would be quite useless.

The Executive Committee was extremely worried, given Miss Watson's need to retire, and the Association's need of a bookkeeper. The Chair of the Committee received a letter from Miss McCulloch, the Equipment Manager, in which she offered to undertake the duties of assisting the Honorary Treasurer. The Committee discussed whether, if the offer were to be accepted, it would advisable to increase Miss McCulloch's salary or possibly alter the name of the position she held. However, while accepting Miss McCulloch's offer of helping with the work in the Treasurer's Department, they decided that the name of "Equipment Manager" should stand and that no increase in salary was necessary at the present time. However, they did agree to note Miss McCulloch's suggestion "that should increased staff be necessary later in the shop, it should be done by the appointment of a junior to be trained as a sales assistant" (GNSW EM, 29 May 1930). Further, it was reported that "this was carried unanimously, the Executive finding it a happy solution to the problem". It is not surprising that the Executive Committee was happy: they had increased the workload of an employee without increasing her pay.

With Miss McCulloch keeping the accounts, Miss Watson agreed to stay on as Treasurer. She actually remained in the position for a total of almost seventeen years until her resignation in January 1944. She was thus the Treasurer through the Great Depression and through most the World War II.

The arrangement with Miss McCulloch acting as both bookkeeper and equipment manager ran into difficulties by the end of 1931, when the Executive Committee heard that

a letter was received from the Auditors stating that the books had not been balanced before being handed over for the audit, & suggesting that an effort should be made to improve the book-keeping. It was suggested (1) that a girl should be employed to keep the books, or (2) that Miss McCulloch should be given all the bookkeeping & relieved from work in the shop, & that another girl should be employed in the shop (GNSW EM, 15 October 1931).

The Executive was not prepared to accept the first suggestion, because the salary could not be found for award rates for a girl trained in book-keeping. However, as the auditor had expressed the opinion that Miss McCulloch was quite capable of keeping the books if she could have sufficient time to do so interrupted, it was agreed that Miss McCulloch should be given entire charge of the books until the end of February, and that further help should be obtained in the shop for that period.

This system appeared to be a significant improvement, because it was almost two years before the Auditor complained again! It was reported to the Executive on 11 September 1933 that a letter had been received from the auditor, Mr Russell Crane,

saying the accounts were not being kept satisfactorily & thus taking up too much of his firm's time. It was recommended by the auditors that the private ledger be balanced monthly, & that all moneys received by the Association be paid into the general account, & transferred from there to the special accounts when required, that only two accounts be kept if possible viz at Bank of N.S.W. & Commonwealth Savings Bank.

The Executive Committee decided that the Association needed the services of an accountant to balance the private ledger on a monthly basis, with Miss McCulloch working with him. In February 1934, Miss Watson reported that an accountant, Mr Phil Vernon, had been working to bring the books up to date, and that he anticipated that once this was done, one night a month would be sufficient for a monthly audit. The Executive agreed to remunerate Mr Vernon as per his letter

setting out his terms for writing up the Ledger as from January 1<sup>st</sup> 1934, & drafting annual account for presentation to the Auditors – viz £5.5. per annum (GNSW EM, 15 March 1934).

From that time, an accountant was responsible for the preparation of monthly reconciliations of the accounts, the remuneration continuing at five guineas until the end of 1941, when a firm of accountants, Messrs H.B. Allard, Way and Hardie, accepted the position of Honorary Accountants, and agreed to send an accountant once a month to go over the books, but requested that no honorariums be paid to any member of their firm.

In April 1942, correspondence was received from

Messrs. H.G. Allard, Way, & Hardie, saying the Cash Book had not been effectively kept during the last few months. It was reported that Miss Levin [Miss McCulloch's replacement] felt she could not cope with it as she had not sufficient experience in book-keeping, or enough time with her other work. Miss Watson said she would discuss the matter with her, & report to the next meeting.

Miss Watson told the next meeting that she had offered to help with the bookkeeping, that the books were now up to date, and that Miss Levin had agreed to try and manage until the end of June. By early June, Miss Watson reported that she was now doing the bookkeeping herself. Further loss of staff due to the War meant that Equipment Department faced increased difficulties, but Miss Watson said that "she would do her best to see that the books were in readiness for the audit at the end of the month" (GNSW EM 1 July 1943).

At the Executive Committee meeting on 2 September 1943

A letter from Miss Watson to Messrs. Allard, Way, & Hardie, was read, apologising for trouble with the books on account of loss of former staff, & asking what it would cost to have the book-keeping work put on a business footing in future. Their reply was that they were averse to making any charge to a body such as ours, & provided they were not called upon to carry out too much work at present, in view of their limited staff, they would be happy to give us all reasonable assistance. They also offered to send one of their staff one morning per week for the next month to give our staff the necessary instructions as to the manner in which the Cash Book



should be kept - & after this a visit one morning per month should be sufficient to reconcile the Cash Book monthly.

Towards the end of 1944 Miss Watson resigned from the position as Treasurer, requesting that her resignation take effect from the end of November. However, she assented to remain as Treasurer until January, because the Executive explained that at the moment "there would be no one then ready to carry on the work of Hon. Treasurer" (GNSW EM, 16 November 1944). At this meeting, Lady Eva Julius, the State Commissioner, indicated that she "would like to ask Mrs O'Malley Wood to take the post of Hon. Treasurer".

### **Mrs Leila O'Malley Wood**

The departure of Miss Watson and the arrival of Mrs O'Malley Wood to the position of Treasurer is mentioned blandly in the Annual Report of 1945:

During the year Miss M.F. Watson resigned as Hon. Treasurer of the Association, a position she had held for sixteen years; Mrs. O'Malley Wood, elected to the Executive Committee last year, was appointed in her stead (GNSW AR, 1945, p.5).

Mrs O'Malley Wood's time as Treasurer was marked by change, and by affairs being brought into businesslike order. The time of her treasurership also provided insights about the members of the Executive Committee. After five years, when she offered to stand aside, the Committee very quickly decided "yes, she should be replaced". Certainly, the Association was undergoing a financial crisis at the time, but one must wonder whether, in their short-sightedness, the Executive Committee held Mrs O'Malley Wood responsible, despite the fact that they had refused to take her advice or that of the Finance Committee.

Mrs O'Malley Wood began her first year as Treasurer by investigating cash management practices in the Association. Before presenting her recommendations to the Executive Committee, she consulted with the Association's auditors and then told the Executive Committee that she

would like to make the following changes –

1. Miss Needham [the bookkeeper] be authorised to endorse cheques.
2. The shop takings, also petty cash, be given to Miss Needham each morning and checked.
3. A locked letter-box on the door, & 2 people to open the letters together.
4. Salaries to be paid on Fridays, when they are due, instead of on Tuesdays as heretofore.
5. Glengarry [the Guide camping property] and the Waratah [the Guide magazine] to have their own banking accounts (GNSW EM, 1 February 1945).

The Executive Committee approved of these suggestions. The new Treasurer's next action was to investigate the profitability of the Trading section of the Association. At the Executive Committee meeting on 12 February 1945, it is recorded that

Mrs O'Malley Wood reported the shop Takings for each Saturday morning since November 1944, in support of a suggestion for closing this shop on Saturdays in future.

Despite the low returns, the Executive Committee were not prepared to agree to Saturday closing at this time, and

[a]fter a lengthy discussion [it was] proposed that the Shop be opened as usual with a skeleton staff and after investigation at a later date the decision to be re-considered.

However, there is no record in the minutes of such an investigation, not the reconsideration of the proposal.

Mrs O'Malley Wood worked closely with the reformed Finance Committee, the first meeting of which was held on 15 March 1945. The 1945 Annual Report included a section on Finance written by Mrs O'Malley Wood, in which she acknowledged that

[s]ince the beginning of 1945 the Treasurer has been assisted by a Finance Sub-Committee, of which Mr. G.M. Shain, Deputy Governor of the Commonwealth Bank, is the Chairman. Other members are Mr. James Ashton and Miss M.L. Deer (GNSW AR, 1945, p.7).

She reported that

[m]eetings are held regularly and the consideration given to Guide financial policy has helped to put affairs on a much sounder basis. The interest and assistance of this Committee has been invaluable (GNSW AR, 1945, pp.7-8).

Decision making and account keeping were decentralised to several departments, such as the Glengarry Committee (property committee), the "Waratah" (Guide magazine), and the War Relief Depot, because of their growth and importance. In the interest of wise financial management, the Treasurer and the Finance Committee were unanimous in recommending to the Executive Committee that only gifts and not loans be accepted from people outside the Movement (GNSW FM, 12 September 1945).

The report on Finance in the 1946 Annual Report was written by Mr Shain, the Chairman of the Finance Sub-Committee, rather than Mrs O'Malley Wood. Mr Shain commented that

[i]t is indeed pleasing to record that, as in other fields, the Association has experienced another very successful year, financially. ... The Finance Sub-Committee has various matters under consideration whereby the Association's finances may be assisted, and these will be implemented at the appropriate time (GNSW AR, 1946, p.9).

It is interesting to note that for the remaining three years of Mrs O'Malley Wood's term as Treasurer, there is no financial report included in the Annual Report beyond the bare financial statements. A reason for this is not given, but as one reads the minutes of the Executive and Finance Committee meetings, one may infer that the Executive Committee do not in general support the recommendations of the Finance Committee and thus that there was friction below the surface.

In 1945 and 1946 the Association returned a net surplus. However, the expenditure overtook the income in 1947, with the deficit of £1012 being almost as large as the surplus of the previous year. At the final meeting of the Finance Committee for 1947:

[i]t was agreed that a Bond be sold to clear all Accounts and that a fresh start be made in 1948. Mr Ashton urged that stock be taken of the financial position and that every effort be made to raise funds and so not have to touch our Reserves (GNSW FM, 16 December 1942).

At the Executive Committee meeting on 12 February 1948, the Treasurer asked that the Executive Committee send out an appeal letter to all General Council members soliciting financial support. It was decided that the Mrs O'Malley Wood "go ahead and prepare and appeal letter". The following month, the Executive Committee again discussed how to raise funds but the minutes record that "after lengthy discussion on how to raise funds for the Association, no definite plans were made" (GNSW EM, 4 March 1948).

Mrs O'Malley Wood indicated to the Executive Committee that the Trading Department was continuing to operate in a financially unsatisfactory manner. Large amounts of inventory were being held (worth approximately £4000), despite relatively low sales (averaging £125 per week). Mrs O'Malley Wood presented a schedule of daily sales for a two week period in February, showing a gross profit of only £52.18.11. The Executive Committee agreed that payment for any large orders in the near future be made over a three month period if possible, and that the Equipment Secretary consult with the Treasurer before placing any large orders. Mrs O'Malley Wood continued to monitor sales and in July

informed the Committee that the Receipts for June from Shop Sales were £676. The Sale Price of goods being investigated by Mr M. Wilson and proper Stock Sheets being prepared (GNSW FM, 1 July 1948).

The Finance Committee agreed that

each item should be considered on its merits as in some cases it was not possible, in the interest of members of the Movement, to add ordinary retail profit (GNSW FM, 1 July 1948),

but that the Finance Committee should be given a schedule of costs and charges at regular intervals and that the Accountant be requested to give a definite idea of overhead expenses to charge on all items.

Mrs O'Malley Wood returned after a month of illness to discover that the potential deficit for 1948 was going to exceed that of 1947 by more than 50 percent. Therefore, at the December meeting, she explained to the Executive Committee that money was needed urgently for the running of Headquarters and so she was submitting a Notice of Motion

That a request be submitted to Local Associations, Companies and Packs that a percentage of all monies raised by them be contributed to the HQ. Fund annually (GNSW EM, 7 December 1948).

On being assured that a letter would be sent to the Local Associations asking for help by 30 June, Mrs O'Malley Wood agreed to waive her Notice of Motion for the time being. She did however ask for suggestions from members of the committee for alternative means of raising money, but no suggestions were forthcoming.

The increasing seriousness of the financial position was reported to the Finance Committee at their meeting on 8 February 1949 when

FINANCIAL STATEMENT for the months of December 1948 and January 1949 was presented, showing a debit balance as per Cash Book at 31/1/49 of £39.1.2. Bills £2,100.0.5 (including salaries £338.11.4) were confirmed. The Hon. State Treasurer informed the Committee that cheques totalling £325, included in the £2100.0.5, had not yet been presented and that this amount plus Bills to be paid, as per list, including salaries of £200, and totalling £873.18.8 were to be met. The Financial position was very serious – the position is that approximately £1200 was owing and the only income of any size expected in February was approximately £500 from the Shop (GNSW FM, 8 February 1949).

The Finance Committee decided that the accounts should be paid as soon as possible, depending on their importance and at the discretion of the State Treasurer. They agreed that the State Treasurer should inform the Executive Committee of the seriousness of the financial position, which seems a fairly strange decision, given the number of times Mrs O'Malley Wood had already warned the Executive Committee. But this decision of the Finance Committee probably indicates that the matter had not as yet been taken seriously by the Executive Committee.

Later that afternoon, Mrs O'Malley Wood spoke to the Executive Committee about the financial position of the Association. She was asked "why we had suddenly gone back – a short while ago our finances appeared to be quite good" (GNSW EM, 8 February 1949). This question was surprising given the regular monthly financial reports presented by the Treasurer, together with the past two years' deficit. Mrs O'Malley Wood explained that the deficit position

was caused by the heavy accounts we had to meet; further we had used £300 from a special account to meet a bill which allowed a considerable discount if met immediately. This £300 had to be repaid into that special account (GNSW EM, 8 February 1949).

After considerable discussion, the Executive Committee agreed that something had to be done without delay to devise means of bringing in funds. However, their only ideas were to suggest that General Council needed to face up to its responsibilities and that the individual members should be asked to raise funds for the Association. The matter was again considered by the Executive Committee two weeks later when it was moved that "adult members of the Association may use their discretion as to how they raise Funds for the Association. The children are bound by rule 27(f) of P.O. & R. and may not organise or assist with Raffles or Games of Chance" (GNSW EM, 22 February 1949). The minutes record that the motion "was put the meeting and passed on a show of hands – 8 to 3". Conversation continued. In March, when Mrs O'Malley Wood suggested that members of the Movement be asked to raise 2/- each towards Headquarter Funds, the suggestion was deferred until later. In April the Finance Committee suggested an increase in membership fees.

At the end of May, the same suggestions (increased membership fees and appeal for funds) were still being discussed, this time as the result of formal resolutions submitted by Mr Ashton (on behalf of the Finance Committee) for the approval of the Executive Committee. On 8 June 1949, the Executive Minutes recorded that the suggested increase in subscription (to 2/- for Guides and Rangers, and 1/- for Brownies, per half year) had been met with understanding by the Commissioners' Conference and would take effect from 1 August 1949. Mrs O'Malley Wood also reported that the Accountant had inspected the Association's eight month statement to 31 March 1949 and

[i]t was expected that the Association would be £2,300 in debt at 31st July, 1949 and would not have the ready cash available (GNSW EM, 8 June 1949).

On 6 July 1949 members of the Finance Committee recommended that the Executive Committee make an arrangement with the Bank of NSW for a temporary overdraft of £500, with the right to increase it to £1200

later on if necessary. This recommendation was accepted by the Executive Committee that afternoon and confirmed by the Bank on 3 August 1949.

Meanwhile, the Appeal letter had gone through a number of drafts and was finally approved. By 7 September 1949, 400 Appeal letters had been mailed and £55 had been received. By 5 October, £240 had been received, with donations coming in steadily every day.

The Auditors recommended that a sub-committee be established to investigate how the annual loss on the Guide magazine "The Waratah" could be reduced in the coming year (it showing a loss of £200 as at 31 July 1949). However, the Executive Committee decided to make no change in the control of the "Waratah" at that time, but to revisit the matter in March 1950, "as it was expected that as a result of our present special appeal for annual donations and increased Capitation Fees, we would by that date be on a more sound financial basis" (GNSW EM, 13 September 1949).

Mrs O'Malley Wood and the Finance Committee continued to seek for ways to improve the financial position of the Association. They noted that the profit from trading had fallen to around £500 for the year, but that financing the Association necessitated a minimum shop profit of £1000 per annum. Thus, they again recommended to the Executive Committee

that the Price List of Stock, for sale be overhauled very thoroughly and a reasonable profit be allowed on every article to be sold ... that the mark up on all goods be increased by at least 10% (GNSW FM, 5 October 1949).

On 15 November 1949, Mrs O'Malley Wood informed the Executive Committee that she been Treasurer for five years. She offered to withdraw from the meeting room while the Committee discussed whether she should continue. After discussion, it was agreed that a change should be made, with Mrs W.H. Relton being appointed Honorary Treasurer.

The minutes of the same meeting also record the following:

In discussing our financial position, members felt that our present "drift" commenced with the publication of "MISS", which had been such a heavy loss. It was known by all that the publication of this Magazine was proceeded with against the Honorary Treasurer's wish, and the Executive Committee was very grateful to Mrs O'Malley Wood for remaining with the Association in spite of this (GNSW EM, 15 November 1949).

However, this paragraph has been scored through and has a handwritten note "Delete M.T.S" next to it. It would appear that the State Commissioner decided that for some reason this was an inappropriate comment to appear in the minutes.

Mrs O'Malley Wood's resignation was very soon followed by the resignations of both Mr Swain and Mr Ashton. In the light of the serious financial position, the Finance Committee advised that no salaried assistance or secretarial help be appointed to departments, and that the current salaried camp recorder and minute secretary, Miss Marks, could no longer be afforded. Since Miss Marks "would not be available on a voluntary basis" and that change at this stage "would completely disorganise the Camping Department" (GNSW EM, 13 December 1949), it was decided to reappoint Miss Marks and not to accept the Finance Committee's recommendation for the present.

At the beginning of February 1950 the Finance Committee again expressed the opinion that expenses at Headquarters must be reduced, with the various Departments using voluntary help as far as possible. At the end of the month the Finance Committee again recommended that in the view of the Association's present financial position, voluntary help should be used in the office to reduce running expenses. The Executive Committee Minutes record that

it was proposed that it be conveyed to the Finance Committee that the Executive Committee feels it is not possible to do with less paid staff than we have at present (GNSW EM, 21 February 1950).

The Finance Committee then recommended that the Executive Committee be asked to discuss finance at its meeting on 14 March and make some suggestions for decreases in Headquarter expenses to come into effect within a month. Mr Ashton suggested that the amount of the cut should be £500 per annum, or at least £10

per week. The Executive Committee made three recommendation in response to the call for immediate curtailment of expenditure:

1. No alteration could be made as regards salaried staff at present.
2. A Fete would be held later in the year
3. It is hoped that "The Waratah" may be able to be printed at no cost to the Association.

The minutes of the Finance Committee of 29 March 1950 record that

Mr Ashton felt very disturbed that the Executive Committee had not accepted the Finance Committee's recommendation re an immediate cut in expenses and the minutes of the meeting on 26 April 1950 record the reading of letters from Messrs J.H. Ashton and G.M. Shain in which they tendered their resignations from the Finance Committee.

This left a very depleted Finance Committee, void of financial experience. The end result of this situation was that Mrs Relton and Miss Deer, the remaining members of the Finance Committee were given permission to seek the advice of Mr Relton and Mr Deer, one member's husband and the other's father.

## Conclusion

The concept of mission was central to the development of the Guide Association and financial matters have always taken a subservient place to mission. They were seen as existing for the support of the mission, with no importance of their own. There was an almost mystical belief in the concept that everything would work out – that the Association may be going through a hard time, but it would not run out of money.

The development of financial management practices was enmeshed in the structure and culture of the organisation, and depended largely on the people in the most influential positions. In the early days, these would have been the Chairperson of the Committee (the current State Commissioner) and the Treasurer (the person solely responsible for the financial management of the Association). However their suggestions and advice were often met by the moderating influence of other committee members. Thus the development of accounting in the evolving Guide Association can be viewed as a social construction built on individual influence, beliefs and customs, together with the organisational structure, culture and the environment in which it operated.

## References

- Anthony, R.N. and Young, D.W., (1994), *Management Control in Nonprofit Organizations*, 4th edition, Boston, Massachusetts: Irwin.
- Baden-Powell, O., (1931), Unpublished journal entries, typed by herself, pages unnumbered.
- Baden-Powell, R., (1940), "The Founder's Last Message to Guides", in Girl Guides Association (GGA), (1970), (ed.), *Diamond Jubilee Souvenir Booklet: 1910 - 1970*, London: Girl Guides Association, p.32.
- Barton, T.L., Shenkir, W.G.; McEldowney, J.E. 1996. "The case of Dr. Grayson: Fraud and Abuse at a Not for Profit." *The CPA Journal*, Vol. 66, No. 2, pp. 46-50
- Blickendorfer, R. and Janey, J. 1988. "Measuring Performance in Nonprofit Organizations" (part 2). *Nonprofit World*, Vol. 6, No. 2, pp. 18-22.
- Bonham-Carter, V., (1928), "Are You a Good Housekeeper?", *Good Housekeeping*, November.
- Braithwaite, B. and Walsh, N., (1995), (eds.), *Home Sweet Home: The Best of Good Housekeeping 1922-1939*, London: Leopard Books, Random House.
- Campbell, B., (1998), "Donors want to know where the \$\$ goes!" *Fund Raising Management*, Vol. 29, No. 5; pp. 40-42
- Courtney, R. 1994. "Direction in Voluntary Sector Management." *Management Development Review*, Vol. 7, No. 3, pp. 33-36.
- David, M.E., (1975), *Passages of Time*, Brisbane: University of Queensland Press.
- Elkin, R. 1985. "Paying the Piper and Calling the Tune: Accountability in the Human Services." *Administration in Social Work*, Vol. 9, No. 2, pp. 13.
- Gerard, D. 1983. *Charities in Britain: Conservatism or Change?* London: Bedford Square Press and the National Council of Voluntary Organizations.
- Girl Guides Association (GGA), (1970), *Diamond Jubilee Souvenir Booklet: 1910 - 1970*, London: Girl Guides Association.
- Guides NSW, Annual Reports, (GNSW AR), 1924-1998

- Guides NSW, Executive Committee Minutes, (GNSW EM). 1920-1999.
- Guides NSW, Finance Committee Minutes, (GNSW FM). 1930-1999.
- Herzlinger, R.E. 1996. "Can Public Trust in Nonprofits and Governments be Restored?" *Harvard Business Review*, Vol. 74, No. 2, pp. 97-107.
- Herzlinger, R.E. and Nitterhouse, D.L. 1994. *Financial Accounting and Managerial Control for Nonprofit Organizations*. Cincinnati, Ohio: South-Western Publishing Co.
- Industry Commission. 1995. *Charitable Organisations in Australia. Report No. 45, 16 June*. Melbourne: Australian Government Publishing Service.
- Kramer, R. 1981. *Voluntary Agencies in the Welfare State*. Los Angeles: University of California Press.
- Lambert, J., Main, D. and Lambert, S.J. 1998. "Reduce your Losses from Errors and Fraud. Nonprofit World." Vol. 16, No. 5, pp. 46-48.
- Langan, J.P. 1998. "Understanding Nonprofit Financial Management." *Association Management*. Vol. 50, No. 1, pp. 75-76.
- Matthews, C.H.S., (1909), *A Parson in the Australian Bush*, London: Edward Arnold.
- Merivale, N., (1970), "Guides Began Over a Cup of Tea", Nella Levy's story of the beginning of Girl Guides in NSW as reported by a newspaper journalist, unlabelled newspaper clipping found in GNSW archival file.
- Métin, A., (1901), *Socialism without Doctrine*, Paris: Félix Alcan, (translated by R. Ward), in Ward, R. and Robertson, J., (1980), (eds.), *Such was Life: Select Documents in Australian Social History, Vol. 2: 1851-1913*, Sydney: Alternative Publishing Cooperative Limited.
- Nairn, B. and Serle, G., (1983a), (eds.), *Australian Dictionary of Biography, Vol. 8: 1891-1939, Cl – Gib*, Melbourne: Melbourne University Press.
- Nairn, B. and Serle, G., (1983b), (eds.), *Australian Dictionary of Biography, Vol. 9: 1891-1939, Gil - Las*, Melbourne: Melbourne University Press.
- O'Connell, B. 1988. "Values Underlying Nonprofit Endeavour". In O'Neill M. and Young, D. (Eds.). 1988. *Educating Managers of Nonprofit Organizations*. New York: Praeger, p. 155-162.
- Smith, J. 1997. "Managing Betrayal: A Case Study of Employee Dishonesty." *Association Management*, Vol. 49, No. 5, pp. 63-71
- Sopher, M.J. 1998. "Setting up a Control System for your Organization". *Nonprofit World*. Vol. 16, No. 3, pp. 45-47.
- Stanton, A. 1989. *Invitation to Self Management*. Middlesex: Dab Hand Press.
- Ward, R. and Robertson, J., (1980), (eds.), *Such was Life: Select Documents in Australian Social History, Vol. 2: 1851-1913*, Sydney: Alternative Publishing Cooperative Limited.
- Ward, R. and Robertson, J., (1986), (eds.), *Such was Life: Select Documents in Australian Social History, Vol. 3: 1914-1983*, Sydney: Alternative Publishing Cooperative Limited.
- Weiss, J. 1988. "Substance Versus Symbol in Administrative Reform: The Cast of Human Services Coordination". In Milofsky, C. (Ed.) 1988. *Community Organizations: Studies in Resource Mobilization and Exchange*. New York: Oxford University Press. pp. 100-118.

## Notes

1. She was born Margaret Agnes Fielding on 21 April 1871, the fourth daughter of General the Honourable Sir Percy Fielding (1827-1904) by his wife Lady Louisa Isabella Harriet Thynne (1834-1919), daughter of Sir Henry Frederick Thynne, third Marquess of Bath (1797-1837). Sir Percy Fielding was the second son of William Basil Fielding, seventh Earl of Denbigh (1796-1865).
2. Born Eliza Jane White in 1865, she was the daughter of an Australian bank manager and politician, Robert Hoddle Driberg White (1838-1900). She married Sir William Portus Cullen (1855-1935), Australian chief justice and politician, on 17 December 1891 and Port Stephens, NSW.
3. Born Alicia Martha Kirk, Lady Kelso King was a cousin of Eliza Hall<sup>3</sup>, who became her guardian when she was orphaned at the age of fourteen. In 1907 in Melbourne, she became the second wife of Sir George Eccles Kelso King (1853-1943), a prominent Australian businessman.
4. Sir George was used to women who were educated and involved in the community - his elder sister, Georgina King (1845-1932) was a fellow of the Royal Anthropological Society of Australia, a founder of the Women's Club and the Women's Literary Society, and published pamphlets and articles in the press on geology and anthropology (Nairn and Serle, 1983b, pp.593-594).

5. Born Caroline Martha Mallett in England in 1856, she was orphaned while young and went to Whitelands College in London to train as a teacher, and then lecture as a teacher trainer (David, 1975). She applied and was accepted by the NSW Government as Principal of the Hurlstone Training College for women teachers and sailed for Sydney in October 1882 on the *SS Potosi*. On the voyage she met Tannatt William Edgeworth David (later Sir Tannatt), a young geologist. They married in 1885 in the Sydney suburb of Canterbury, and travelled in country NSW living under canvas while Sir Tannatt was prospecting coal seams. They returned to Sydney in 1891 when Sir Tannatt accepted the first Chair of Geology at Sydney University.
6. Born Eva Droughsia Odieuna O'Connor, she married Sir George Alfred Julius, a mechanical engineer and inventor, in Fremantle, Western Australia in 1898. Sir George published three important works on the physical characteristics and economic uses of Australian hardwoods, and then moved to Sydney in 1907 as consulting engineer to Allen Taylor & Co. Ltd, timber merchants, at a salary of £550 and the right to private practice. He invented the racecourse totalisator, first used in New Zealand in 1913, and continually improved it, until by 1929 it was showing dividends after tax. He was president of the Engineering Association of NSW (1910-13) and the Electrical Association of Australia (1917-18), a founder of the Institution of Engineers, Australia (1919) and chairman of the Standards Association of Australia (1929-39) and the Australian National Research Council (1932-37), as well as serving on numerous other committees. During these appointments “[h]e widely promulgated his personal views on fiscal policy, unemployment during the Depression, industrial standardization and professional qualifications” (Nairn and Serle, 1983b, p.529).